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Kellogg, Paul Underwood

Work-relationships and the democracy

[New York]

[1912]

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Labor - Gen'l

Work-Relationships and the Democracy

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A pamphlet setting forth
The proposal now before Congress
For a Federal Commission on Industrial Relations

PAUL U. KELLOGG

Published by the
Committee on Industrial Relations
Room 607 Kent Hall
Amsterdam Ave. and 116th St., New York

Committee on Industrial Relations

TO SECURE THE APPOINTMENT OF A

FEDERAL COMMISSION ON INDUSTRIAL RELATIONS

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Work-Relationships and the Democracy

The growth of industry has in fifty years changed the face of the country. That is but half the story. The growth of industrial corporations in which industry has taken shape has in turn thrust new problems of individual rights and public responsibilities deep into the working life of Americans.

Our purpose is to secure the creation of a Federal Commission which shall inquire into the industrial relations affected by these changes.

Revolutionary as has been this trend among us from agriculture to corporate manufacture, its bearing upon human relations may be stated simply. Modern industry offers few openings for the lone prospector. It is team-work from the beginning. We make or find employment in groups ranging from a shop of two or three men to a trans-continental railroad with tens of thousands of employes. Since the 90's, we have seen trade enterprise merge the mills of a dozen states. We call these big human teams, corporations—industrial corporations; and in our political capacity we charter them in the name of the general welfare, grant them immunities, vest them with large powers, and safeguard the capital and profits of their stockholders. Through them we produce useful goods which in bulk, ingenuity, and cheapness match anything the world has known.

Corporate Forms of Work

But, above all else, we work in and through them as a people. They are becoming the permanent basis on which much family life and citizenship depend. This is truer today than it was ten years ago, truer ten years ago than it was twenty, truer in numbers of people so engaged, and in the size of these industrial units. It will be truer ten years from now than it is to-day.

The purpose of such a Federal Commission would be, in the last analysis, to survey the relations which we as free, self-governing people thus bear to corporate forms of work. On these industrial relations hangs the progressive development of our manufacturing resources; on them hinge the chance in life, the liberties, and the measure of happiness of the citizens of the United States who look to these new and massed forms of employment for their livelihood.

We have not as yet squarely faced this mighty shifting in the economic foothold of the democracy. For the most part we proceed on the happy-go-lucky policy that wherever and whenever there is quiet, there also is justice and right dealing; that wherever and whenever there are clashes the parties in dispute will settle them in some way between themselves, and there also reason and progress rather than strength will prevail; and that wherever and whenever the general welfare is threatened either by a disintegrating peace or by a destructive warfare, there the public, by some catch-as-catch-can assertion of authority, will defend its interests.

From time to time, and from place to place, we pay the penalty of this Simple-Simonism. We pay it in bitterness and disheartenment, in disrupted industry, in vast money loss, in bloodshed and in mute and obscure suffering.

A New Approach

The members of this committee conceive that the time has come for a new approach to the problems underlying industrial conflict and for discovering and removing such of their causes as are preventable. We believe that prompt and natural methods should be afforded for adjusting the general run of disputes, and that ways may be found for the tidal lifting of sub-normal labor standards without the waste and friction which now beset progress.

What is here proposed, however, is not a reiteration of what has long been said on the subject of conciliation and arbitration, but an investigation from a newer point of view, based on the profound changes in our industrial life in recent years, such as will lead to a new frontage in men's minds, and will make the community's stake in industry the basis for well-conceived action, voluntary, state, and national.

The American Opportunity

In exploring the means for bringing greater justice and order into the dislocated structure of our industrial life lies the opportunity for a great work of internal statesmanship and invention. It is a situation repeated in the older countries of the world, where industrial relations have become encrusted with class distinctions or are bound down by political tyranny. In so far as the American commonwealth, in our generation, ignores or lays hold of this opportunity will mankind form its opinion as to whether, after all, it has meant very much for the race to have a new continent to spread out upon and to try out upon that continent the strength of republican institutions.

Scope of Commission

Employers and Employes

The specific proposals then are for a commission of inquiry which, first of all, shall consider anew, in the light of our recent industrial evolution, the relations between employers and employes, so that the exact standing of each shall be clearer; so that the channels through which they may negotiate singly or collectively with each other may be open; and so that, if they fail to get together, means will be available for adjustment a long way this side of strikes and lockouts, boycotts and blacklists. To this end, such a commission would investigate among other things:

The methods actually in vogue for determining the rates of wages, hours, and conditions of work in the principal industries of the country;

The grievances felt by workmen and the means ready to their hands for righting them;

The obstructions from which industrial administration suffers and the means open to managers for overcoming them;

The growth of labor unions and employers' associations and the relations and trade agreements between them.

The practical workings of such voluntary schemes of representative government in industry as the trade legislature in one of the great garment industries (cloak, suit, and skirt trade), and the joint arbitration board which for seven years was maintained by thirty unions and employers in the New York building trades.

The Public Element in Industry

Such a commission would consider anew, also, the relations of government to industry.

It might well consider, in the light of recent industral evolution, the bearings of old principles of law with respect to employment, the trend of

our new statute laws regulating the work contract, and the trend of court decisions, federal and state, with respect to both.

It might well consider the work, resources, and needs of state and federal bureaus of labor and define more clearly those broader responsibilities which the public should equip them to meet.

It might consider further:

What, if any, governmental machinery is needed to raise the standards of subnormal industries:

—(after the manner of the Australian Minimum Wage Boards):

What, if any, governmental machinery is needed to bring out promptly the facts underlying any industrial controversy so that it may be settled by forces which act in the open:

—(after the manner of the Canadian Industrial Disputes Act):

What, if any, governmental machinery the public should stand ready to place at the disposal of employers and employes who may be willing to adjust their differences:

—(after the manner of the Erdman Act, which during the past six years has operated with marked success in preventing and settling strikes in the operating departments of the interstate railways).

What, if any, more effective social control over industrial standards or procedure may be based on the public and corporate elements in large scale production.

A Public Inquiry

With these tremendous engineering problems in government and human relations within its range, the proposal is that the inquiry should be public and that the commission should be Federal. The issues raised are beyond the powers of isolated men to solve. They are too big for the grasp of any one party or faction. We have frequent evidence of unrest among great groups

of wage-earners who feel that the channels through which they can act with respect to those things that most concern them are blocked and insufficient. There is evidence, also, that employers and managers of broad vision regard as transitional the present situation with its friction and waste here and its uncertain domination there. They would welcome a re-examination of trade relations in the light of the organic industrial changes of the past twenty years. What is proposed is the appointment of a public commission, which shall approach the situation without prejudice to either employers' associations or trade unions, and which as a body shall stand for the people at large.

A Federal Inquiry

The constructive action to be looked for as result of the labors of such a commission would doubtless much of it lie within the field of state legislation, much within the field of entirely voluntary arrangement. But the basic industries of the country are nation-wide, the organizations of capital and labor are spread out, and only an inquiry undertaken on a national scale would embrace their inter-relations. The results of research carried on by the various federal department and bureaus dealing with agriculture, forestry, mines, etc., are sufficient precedent for such a federal commission. So is the work of the Department of Commerce and Labor itself. Why, then, should not this department be the proper agency to undertake the inquiry? The answer lies in the magnitude and delicacy of the task. The commission would bring together data bearing upon industrial relations now in the hands of state and federal bureaus, but its larger responsibility would be to strike out from this nucleus into those wide fields in which we have

little or no information. For this, staff, resources, and power to compel testimony are needed, the life of the commission should run for two or three years, with authority to make reports as specific phases of the work are completed. An appropriation of $500,000 would seem necessary if the commission is to be held responsible for covering the ground. This is $200,000 more than the sum at the disposal of the Federal Bureau of Labor in its investigation of women and children. It is $300,000 less than the sum expended by the Federal Immigration Commission, and but half of the money available to the Rockefeller Sanitary Commission in its five years' work of eradicating hookworms. The people of the United States can afford such a sum in matter which reaches deep into the common life. It is a sum far less than may be wasted in the strikes of a single month, in lost wages and output, and no reckoning at all of the human elements in the tally. But more vital even than the appropriation of money will be the resources which the members of the commission themselves bring to their task. Its demand is for broad statesmanship, for a sympathetic understanding of conflicting points of view, for vision and pioneering, for a firm grasp of realites and of what is and what is not practical.

In make-up the commission must successfully lay claim to the confidence of industrial America from top to bottom and from end to end.

Comparison With Other Commissions

We shall have the scope of such a Federal Commission on Industrial Relations more clearly in mind by setting it off against other commissions which have contributed in perfectly definite ways to the general welfare.

The Anthracite Commission

The Anthracite Coal Commission of 1902-3 was an example of a national scrutiny of the line of cleavage between employer and employe in one great industry. The public's interest in that conflict was immediate and direct, in so far as a fuel shortage threatened to close down factories and cause household discomfort throughout a wide range of states. By consent of both the operators and mine workers the commission was made up of an officer of the United States engineering corps, an expert mining engineer, a judge of the United States courts, a sociologist (labor official) and a man familiar with the physical and commercial features of the coal business. In suggesting a Commission on Industrial Relations we do not of course advocate that it be given authority, like this coal board, to compel acceptance of its findings. But it would have broader powers in this—that it need not be limited to one trade group, but could take up those master lines of production which set work standards throughout the whole United States. And we propose this scrutiny, not while a strike is on, but in normal times, to be prosecuted wholly independent of the merits of any particular controversy.

The Employers' Liability Commission

In the Federal Employers' Liability Commission, which has reported at this session of Con-

gress, we have an example of a national scrutiny of one phase of the unwritten work-contract between employers and employes. When a "servant" hires out to a "master" (the very terms in which the rulings are couched smack of long-gone industrial relations), the common law has assumed that the servant has assumed the risks of the trade. That is, that he has no claim against the master for accidents which result from nobody's negligence but which come in the ordinary course of work. The economic loss therefrom stays where it first falls: that is, on the families of the killed and injured workmen.

This phase of the common law, coupled with various twists given to it in a long line of court decisions (such as the fellow servant doctrine which leaves the workman to bear the full loss, also, when he is hurt by the carelessness of another workman) may have fitted well enough a labor situation in which an English squire, his hostler, and his chambermaid were the parties at law. Such a household dispute was cited in the first English case. But it has been a poor rule of thumb to apply to a railway system, with its team play spread over vast areas involving workmen without control over each other's actions, and dealing with destructive powers of steam and speed. Within the last month the United States Supreme Court has upheld the power of Congress, where interstate commerce is concerned, to abrogate many of the old defences read into the rule of negligence; and the federal commission referred to has recommended a compensation system which would lift it bodily out of the legal conception of the work-contract. Within the past few years, also, commissions in 22 states have been at work slowly sifting the laws and the facts, as a basis for legislation

which would systematically make every industry pay for its human wear and tear. By applying principles of insurance such as were unknown to the old judges, they would spread the bill onto the cost to the consumer. Such laws have been enacted in ten states, and upheld by the Supreme Courts of five.

We suggest a national scrutiny of the labor contract in all its bearings, as here it is being scrutinized at one point—a thoroughgoing review of law and practice with respect to the rights of employers and employes, to the end that men who singly or collectively act within the limits of the law shall be strong and not weak in securing substantial justice.

The Conservation Commission

In the Conservation Commission we had a national scrutiny of natural resources, on which to base policies which would utilize without waste that wealth of timber and water power, ores and soils, with which we, as few people, have been endowed, but of which under spur of self-centered interests we have been spendthrift time out of mind.

As one result of these conservation policies, we have seen the creation of a Federal Bureau of Mines. This bureau is taking up the development of mineral resources from all angles, but it has set "Safety first" as its immediate slogan and has put chemists, electricians, engineers, and practical miners at work upon devising means for cutting down our staggering death roll. Within two years they have proved, in boiler plate galleries and experimental mines, that bituminous coal dust explodes, and that dust explosions have been the cause of those great disasters which have wrecked whole communities.

They are demonstrating that safety powders and shot firers, sprinkling systems and zones of powdered stone may check and prevent these casualties—precautions which, if they had been put into general practice even ten years ago, would have saved thousands of lives. Here was human waste to which the interests of managers and men were alike bound by the ties of sheer self-preservation. Yet left as nobody's business, to be reckoned with in local or fragmentary ways, or not at all, by the industrial corporations and bodies of men engrossed in the day's output of the soft coal pits, this wastage has run its course. The enactment and enforcement of safety rules remain in the hands of operating companies and mining states; but they have a powerful ally in the laboratories and expert staff which the Federal Government has thus set in motion. These it holds to results in human engineering in the same way that managers and men in the ordinary course of the trade are held up to getting out coal. Under the impact of these new forces the problem of safety is thus resolving itself into its elements.

We suggest that the problem of industrial relations should be subjected to somewhat the same sort of skillful and resourceful scrutiny. The situation is too much freighted with the public well-being to be left to contending forces to keep striking false balances. The responsibility for sovereign and regulative action rests upon the whole people. We must give structure to fair play; reality to justice; and buttressed channels to those forces which, when they work at cross-purposes, jam up the currents of our national life. Even in so doing, they reveal restless human energies which America as yet fails to conserve for creative purposes. In the same way

that we have let our water powers stand neglected, have let our forest of matchless trees crouch down into stumpage, and have let the freshets waste our farm lands, we waste our human strength.

The Interstate Commerce Commission

In the Interstate Commerce Commission we have a Federal body charged with large administrative and judicial powers which there would be no occasion to vest in a commission of inquiry. It has afforded, however, a remarkable example of national scrutiny of the relations existing between one group of industrial corporations (the interstate railways) and those who trade with them.

When freight was moved by team, barter between shipper and truckman resulted in substantial justice, the rules of the road were sufficient law, and all comers were treated alike at the toll gates. But with the development of steam we had a mighty shifting in the setting of things; railroads could make or break a town; secret rebates could put a competitor out of business; excessive tariffs could drain the profits of a manufacturing district; and, on the other hand, cutthroat methods could wreck a railway system, or stunt the development of an important artery of traffic. With the development of public regulation, orderliness has slowly gathered headway. The government has taken its stand by the side of the individual shipper who is in no position to bargain successfully with a great trunk line; and it has taken that stand not as a piece of paternalism, but as a co-operative act, through which the public may visé its bargains wholesale. In the development of pure food legislation, the government in much the same way protects pur-

chasers unable to know by any off-hand magic what ingredients go into canned goods, of the type which used to be put up over their own cookstoves but are now manufactured in great commercial kitchens. So, also, with federal meat inspection.

Legitimate business has gained by this governmental standardization and the stability which has gone with it. This legislation, however, has largely confined itself to safeguarding the relations between powerful industrial corporations and consumers. What we propose concerns their relations to producers, to those whose bargain with them has to do not with way-bills, or jellies, or canned beef, but with hours, wages, and the conditions of work. What we propose is national scrutiny to see if here, too, the act of bargaining has become a lopsided one in any quarter, and what conditions, if any, should be established by federal or state governments.

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